

**8**

HAGOP T. BEDOYAN, CSB NO. 131285  
**KLEIN, DENATALE, GOLDNER,  
COOPER, ROSENLIB & KIMBALL, LLP**  
5260 N. Palm Avenue, Suite 205  
Fresno, California 93704  
Telephone: (559) 438-4374  
Facsimile: (661) 326-0418  
Email: hbedoyan@kleinlaw.com

Brandon N. Krueger, Esq. (SBN 221432)  
*bkrueger@sallspencer.com*  
Lara A.S. Callas, Esq. (SBN 174260)  
*lcallas@sallspencer.com*  
**SALL SPENCER CALLAS & KRUEGER**  
A Law Corporation  
32351 Coast Highway  
Laguna Beach, CA 92651  
Telephone: (949) 499-2942  
Facsimile: (949) 499-7403

Attorneys for Healthcare Conglomerate Associates, LLC,  
Vi Healthcare Finance, Inc., Medflow P.C., and Tulare Asset Management, LLC

**UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION**

In re:

SOUTHERN INYO HEALTHCARE  
DISTRICT,

Debtor.

Case No.: 16-10015-A-9

Chapter 9

DC No.: KDG-5

Date: December 19, 2018

Time: 1:30 p.m.

Place: United States Bankruptcy Court  
2500 Tulare Street, Fifth Floor  
Department A, Courtroom 11  
Fresno, California

Judge: Honorable Fredrick E. Clement

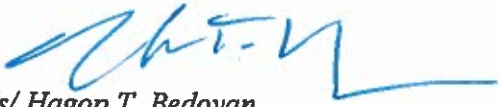
**EXHIBITS IN SUPPORT OF BRIEF RE APPLICATION OF  
NEW RULES OF PROFESSIONAL CONDUCT**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A	Administrative Order 2018-05-09, Supreme Court of California, S240991, filed May 10, 2018 (voluminous attachment A excluded)	3-8
---	---	-----

Dated: December 12, 2018

KLEIN, DENATALE, GOLDNER, COOPER,  
ROSENLIB & KIMBALL LLP



By: /s/ Hagop T. Bedoyan  
HAGOP T. BEDOYAN,  
Attorneys for HealthCare Conglomerate  
Associates, LLC, Vi Healthcare Finance,  
Inc., Medflow P.C., and Tulare Asset  
Management, LLC

SUPREME COURT  
FILED

S240991

ADMINISTRATIVE ORDER 2018-05-09

MAY 10 2018

Jorge Navarrete Clerk

**IN THE SUPREME COURT OF CALIFORNIA**

EN BANC

---

**ORDER RE REQUEST FOR APPROVAL OF PROPOSED AMENDMENTS  
TO THE RULES OF PROFESSIONAL CONDUCT OF  
THE STATE BAR OF CALIFORNIA.**

---

On March 30, 2017, the Board of Trustees of the State Bar of California filed a request for approval of comprehensive amendments to the California Rules of Professional Conduct. (Bus. & Prof. Code, § 6076.) The submission included 70 new or amended rules. The request is granted in part and denied in part.

Twenty-seven rules are approved as submitted by the State Bar:

- Rule 1.1 Competence
- Rule 1.3 Diligence
- Rule 1.4.1 Communication of Settlement Offers
- Rule 1.4.2 Disclosure of Professional Liability
- Rule 1.5 Fees for Legal Services
- Rule 1.6 Confidential Information of Client
- Rule 1.8.2 Use of Current Client's Information
- Rule 1.8.3 Gifts from Clients
- Rule 1.8.5 Payment of Personal or Business Expenses Incurred by or for a Client
- Rule 1.8.7 Aggregate Settlements
- Rule 1.8.8 Limiting Liability to Client
- Rule 1.8.10 Sexual Relations with Client
- Rule 1.8.11 Imputation of Prohibitions Under Rules 1.8.1 to 1.8.9
- Rule 1.10 Imputation of Conflicts of Interest: General Rule
- Rule 2.1 Advisor
- Rule 2.4 Lawyer as Third-Party Neutral
- Rule 3.2 Delay of Litigation

Rule 3.7	Lawyer as Witness
Rule 3.8	Special Responsibilities of a Prosecutor <sup>1</sup>
Rule 3.9	Advocate in Nonadjudicative Proceedings
Rule 4.1	Truthfulness in Statements to Others
Rule 5.3.1	Employment of Disbarred, Suspended, Resigned, or Involuntarily Inactive Member
Rule 6.5	Limited Legal Services Programs
Rule 7.1	Communications Concerning the Availability of Legal Services
Rule 7.3	Solicitation of Clients
Rule 7.4	Communication of Fields of Practice and Specialization
Rule 7.5	Firm* Names and Letterheads

Forty-two rules are approved as modified by the court:

Rule 1.0	Purpose and Function of the Rules of Professional Conduct — The court revises the citation in Comment [1] to conform to the California Style Guide. The court amends Comment [5].
Rule 1.0.1	Terminology — The court revises the definition of “person” under paragraph (g-1). The court adds an asterisk after the term “person” or “person’s” in paragraphs (a), (e), (f), (m), and (n), after the term “writing” in paragraphs (e-1), after the term “firm” in paragraph (g) and (k), and after “screen” or “screening” in Comments [5] and [6].
Rule 1.2	Scope of Representation and Allocation of Authority between Client and Lawyer — The court revises Comment [4] to conform to the California Style Guide.
Rule 1.2.1	Assisting, Soliciting, or Inducing Violations — The court amends current rule 1-120 and adopts it as rule 1.2.1 pending the State Bar’s submission of additional revisions to proposed rule 1.2.1.
Rule 1.4	Communication with Clients — The court removes an unnecessary comma from subparagraph (a)(1).
Rule 1.5.1	Fee Divisions Among Lawyers — The court substitutes semicolons for commas at the end of each item in the list in subparagraph (a)(2).

---

<sup>1</sup> On December 6, 2017, the State Bar filed a supplemental request to withdraw the original version of proposed rule 3.8 that it had submitted on March 30, 2017 and to approve a subsequent version approved by the State Bar’s Board of Trustees on November 3, 2017. The court grants the State Bar’s supplemental request.

- Rule 1.7      Conflict of Interest: Current Clients — The court deletes Comment [2], moves the definition of “matter” to the text of the rule as paragraph (c), and renumbers the subsequent Comments. The court deletes “or organization” and adds as asterisk next to “person” in Comment [1].
- Rule 1.8.1    Business Transactions with a Client and Pecuniary Interests Adverse to a Client — The court modifies paragraph (a) and makes additional revisions to the citations in Comments [1] and [4] to comply with the California Style Manual.
- Rule 1.8.6    Compensation from One Other Than Client — The court adds Comment [5].
- Rule 1.8.9    Purchasing Property at a Foreclosure or a Sale Subject to Judicial Review — The court adds paragraph (c) and a Comment.
- Rule 1.9      Duties to Former Clients — The court adds as asterisk next to “person’s” in paragraph (a) and “person” in subparagraph (b)(1). The court modifies citations in Comment [1] to comply with the California Style Manual and corrects internal citations in Comments [2] and [6].
- Rule 1.11    Special Conflicts of Interest for Former and Current Government Officials and Employees — The court amends an internal citation in Comment [2] and substitutes the words “personally prohibited from participating” in place of “disqualified” in Comment [7]. The court revises the citations in Comments [6] and [10] to comply with the California Style Manual.
- Rule 1.12    Former Judge, Arbitrator, Mediator, Or Other Third-Party Neutral — The court substitutes the phrase “seek employment from” for “participate in discussions regarding prospective employment with” where it appears in paragraph (b). The court deletes the asterisk after “third” in paragraph (b). The court adds the terms “personally and” before “substantially” in paragraph (b). The court substitutes the words “personally prohibited from participating” in place of “disqualified” in Comment [3].
- Rule 1.13    Organization as Client — The court adds the term “resignation,” before “or withdrawal” in paragraph (e).
- Rule 1.15    Safekeeping Funds and Property of Clients and Other Persons — The court corrects copyediting errors in paragraph (a) and Standard (1)(a)(i) through (iii), and (1)(b)(i) through (ii). The court adds an asterisk after “person” in Standard (1)(a)(i), (ii) and (iv). The court revises the citation in Comment [1] to comply with the California Style Manual.

- Rule 1.16 Declining Or Terminating Representation — The court adds an asterisk after “person” in subparagraph (a)(1) and after “tribunal’s” in Comment [4].
- Rule 1.17 Sale of a Law Practice — The court corrects an error at the end of the second sentence of Comment [2].
- Rule 1.18 Duties to Prospective Clients — The court adds an asterisk after “person’s” in Comment [1]. The court deletes an unnecessary comma in Comment [2] and revises the citation in Comment [4] to comply with the California Style Manual.
- Rule 2.4.1 Lawyer as Temporary Judge, Referee, or Court-Appointed Arbitrator — The court revises to citation in the rule and Comment [1] to the California Code of Judicial Ethics to comply with the California Style Manual.
- Rule 3.1 Meritorious Claims and Contentions — The court adds an asterisk after the word “person” in subparagraph (a)(1).
- Rule 3.3 Candor Toward The Tribunal\* — The court amends paragraph (c) and Comment [6]. The court revises the citation in Comment [5] to comply with the California Style Manual. The court adds the heading “Ex Parte Communications” before Comment [7]. The court adds an asterisk after “tribunal’s” in Comment [1] and after “tribunal” in Comment [7].
- Rule 3.4 Fairness to Opposing Party and Counsel — The court amends Comment [2].
- Rule 3.5 Contact With Judges, Officials, Employees, and Jurors — The court adds the terms “rule or” before “ruling” in the introductory phrase to paragraph (b). The court deletes the word “or” at the end of subparagraphs (b)(1) through (b)(3). The court adds the word “or” at the end of subparagraph (g)(2). The court amends Comment [1].
- Rule 3.6 Trial Publicity — The court amends the internal rule citation in Comment [2]. The court adds an asterisk after “person” in subparagraph (b)(7)(ii).
- Rule 3.10 Threatening Criminal, Administrative, or Disciplinary Charges — The court revises the citation in Comment [3] to comply with the California Style Manual. The court adds a pinpoint citation to rule 3.8(a) in Comment [4].
- Rule 4.2 Communicating with a Unrepresented Person\* — The court adds an asterisk next to “Person” in the rule title, next to “person’s” in Comment [5], and next to “person” at the end of Comment [9]. The court revises the citation in Comment [4] to comply with the California Style Manual.

- Rule 4.3      Dealing with Unrepresented Person\* — The court adds an asterisk after “Person” in the rule title and after “person’s” in Comment [2].
- Rule 4.4      Duties Concerning Inadvertently Transmitted Writings\* — The court adds an asterisk next to “person” in Comment [2].
- Rule 5.1      Responsibilities of Managerial and Supervisory Lawyers — The court removes Comment [6] and renumbers the subsequent Comments accordingly.
- Rule 5.2      Responsibilities of a Subordinate Lawyer — The court adds an asterisk after “person” in paragraph (a).
- Rule 5.3      Responsibilities Regarding Nonlawyer Assistants — The court adds an asterisk after “person’s” in paragraph (b).
- Rule 5.4      Financial and Similar Arrangements with Nonlawyers — The court adds an asterisk after “persons” in subparagraph (a)(1). The court deletes “or organization” and “organization or group” from paragraph (f). The court revises the citation in Comment [3] to conform with the California Style Manual. The court adds Comment [5].
- Rule 5.5      Unauthorized Practice of Law; Multijurisdictional Practice of Law — The court adds the word “or” at the end of subparagraph (a)(1) and adds the phrase “in that jurisdiction” to the end of subparagraph (a)(2). The court deletes the words “or entity” in paragraph (a)(2). The court revises the citations in the Comment to conform with the California Style Manual.
- Rule 5.6      Restrictions on a Lawyer’s Right to Practice — The court corrects a copyediting error in subparagraph (a)(1).
- Rule 6.3      Membership In Legal Services Organization — The court adds references to rules 1.6(a) and 1.18 in paragraph (a).
- Rule 7.2      Advertising — The court deletes the terms “or entity” from paragraph (b) and subparagraph (b)(5).
- Rule 8.1      False Statements Regarding Application for Admission to Practice Law — The court adds an asterisk after the term “person’s” in paragraphs (a) and (b) and Comment [1].
- Rule 8.1.1    Compliance with Conditions of Discipline and Agreement in Lieu of Discipline — The court revises the citation in the Comment to conform with the California Style Manual.
- Rule 8.2      Judicial and Legal Officers — The court revises the references to the California Code of Judicial Ethics in paragraphs (b) and (c) to comply with the California Style Manual.
- Rule 8.4      Misconduct — The court adds the word “those” before “activities” and “particular” before “lawyer” in Comment [6].

**Rule 8.4.1**    **Prohibited Discrimination, Harassment, and Retaliation** — The court adds asterisk after “persons” in subparagraphs (a)(2) and (b)(2). The court revises the citation in Comment [2] to conform with the California Style Manual.

**Rule 8.5**    **Disciplinary Authority; Choice of Law** — The court revises the citation in the Comment to conform with the California Style Manual.

The approved versions of all 69 rules are set forth in Attachment 1, and are effective November 1, 2018.

The request to approve proposed rule 1.14, regarding a lawyer’s obligations in representation of clients with diminished capacity, is denied.

It is so ordered.

Cantil-Sakauye

*Chief Justice*

Chin

*Associate Justice*

Corrigan

*Associate Justice*

Liu

*Associate Justice*

Cuellar

*Associate Justice*

Kruger

*Associate Justice*

Associate Justice